

DISPATCH		CLASSIFICATION <i>SECRET</i>	DISPATCH SYMBOL AND NO. EMBA-57008
TO INFO	Chief, EM COS		HEADQUARTERS FILE NO. 32E-124-0000 Field File 689
FROM	Chief of Base, Berlin		DATE 27 April 1959
SUBJECT	Operational/COSBY DELINER Budgetary Situation		RE: "43-3" — (CHECK "X" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED
ACTION REQUIRED	None		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

REFERENCE(S)

EMBA-5165, 1 April 1959

1. **FX 1959 Financial Picture:** In referenced cable we advised you of our belief that DELINER's FY 59 budget would suffice to cover all foreseeable project expenses occurring in the current fiscal year. Actions indicating termination and disposal costs in connection with [] should clear-out termination become possible. The DELINER fiscal situation as of 1 April 1959 appeared as follows:

a. Funds Available:

FY 59 Budget
Expenditures to 1 April

Unexpended Balance

b. Anticipated Expenses (in EMs):

- (1) DELINER Liquidation Costs per OS:
(See [] summary report forwarded
as Attachment A.)

EM 143,000.00

(2) Other:

- (a) Liquidation of T/A for balloons pro-
cured at Headquarters:

61,000.00

- (b) Coverbar aid payments per EM-15737:

50,000.00

- (c) Cost of maintaining balloon team on hold-
ing basis for three months (April, May and
June) at approximately EM 6,000.00 per
month:

18,000.00

- (d) April, May and June salaries for

12,000.00

- (e) [] termination payment:

2,400.00

Total:

EM 286,400.00

APPROVED: []

Attachment use:

summary report

Distribution:

3-EM w/att
2-COS w/att

sgn

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

DELINER/1

RDBA-57006

c. Recapitulation:1 April unexpended balance:
Anticipated Expenses:

Balance:

(including small miscellaneous costs, contingencies, and possible termination of BELJEN 1 and 2)

A review of the above data makes it clear that, barring a special development, there is little likelihood that we will require a BELJEN FY 59 budget amendment. Any funds not expended will be obligated to apply to liquidation of expenditures.

2. FY 1960 Financial Picture: We indicated in reference that your proposal to set the FY 1960 budget at [] was in line with our own view. It is our feeling that BELJEN's FY 60 budget should be set large enough to cover the following:

a. Maintenance Costs of West German Balloon Team

(1) The plan to temporarily attach the three members of BELJEN's West German balloon team to AFWINGIL for purposes of interim financial and employment cover has now been implemented. The three men were picked up on AFWINGIL's books effective 1 April, and the funds required to cover the salaries of these individuals, and to pay the rentals and upkeep on the three ballooning bases, already is being funded through the AFWINGIL channel. It should be noted that the current monthly transmittal of [] is the minimum amount that will be required to maintain the ballooning apparatus on a holding basis and will not suffice should even minor increases in costs develop. Thus, for FY 59 and FY 60 planning purposes, we are 'budgeting' DMW 6,000.00 monthly (circ []) to give us some leeway.

(2) Should the balloon team be operationally reactivated, costs obviously will skyrocket. We have arbitrarily used a figure of DMW 18,000.00 monthly, in addition to the DMW 6,000.00 monthly holding (or fixed) costs, as the amount required to operate the team. This gives the amount of DMW 24,000.00 monthly or DMW 288,000.00 yearly. There are of course various possible dispositions of the balloon team, e.g., it could simply be annexed by an existing project, be established as an independent general distribution facility serving various existing projects, be incorporated into a new production/distribution apparatus based in West Germany and possibly under joint KRAM/RENSPIM control, be dissolved, etc.

b. Salaries and Termination Costs of []

(1) Until such time as the problem presented by the legal charges against these two individuals is resolved in one fashion or another - if termination is effected, KRAM will be obligated to pay the salaries [] per his KRAM contract, receives a salary of DMW 1,825.00 monthly plus DMW 630.00 in fringe benefits. [] receives DMW 1,475.00 monthly as salary. Allowing an additional DMW 150.00 monthly for travel or other expenses which may be incurred at KRAM's direction, these items would total DMW 4,000.00 monthly or DMW 16,000.00 for a four-month period. We believe planning for a longer period should not come into question. (We fervently hope that both of these individuals can be terminated prior to the end of the summer if not sooner.)

(2) There arises the question of the possible cost of terminating []. For planning purposes only, we have selected the figure of DMW 60,000.00.

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c. [] As you are aware, [] was 'elected' liquidator of the DELINER organization and has sole legal, as well as operational, responsibility for phasing out the organization. During the past year he has been our main contact in DELINER, and his cooperativeness and willingness to do our bidding has lightened the burden significantly. His performance as principal agent subsequent to the removal of [] has been most loyal, most diligent, and courageous. He received no increase in salary when designated P/A but continued to serve for the DM 900 he received as bookkeeper. Because of his outstanding service, we intend to give him a special DEBANK severance payment in addition to the normal severance payment he will receive under German law, particularly since he will continue on the job several months thus decreasing the amount of severance pay he would have received otherwise. We currently are thinking in terms of a separate DM 5,000.00 payment which we propose to pay to him when the liquidation of the organization is completed, i.e., middle or late summer. Thus, for we are 'budgeting' three months' salary at DM 900.00 (DM 2,700.00) plus DM 5,000.00 for a total of DM 7,700.00.

d. [] [] has provided legal assistance to the DELINER organization since its founding. His interest in DELINER has been more an ideological one than a 'professional' one, i.e., he has helped out with many DELINER legal problems more because of his belief in the goals of the organization than because of the small remuneration involved. For the past few years he has received an honorarium of DM 400.00 monthly plus a fee of DM 62.00 monthly for auditing and notarizing DELINER's books and monthly accountings. He also has received fees for special cases, e.g., he received a DM 600 fee for the handling of the Hedstrom vs. [] legal case. He has received no reimbursement for handling the DELINER funds transmittals and the DELINER Audakonto. [] also has been extremely helpful in providing legal and other assistance in connection with the dissolution and liquidation of DELINER. He will handle future salary payments for [] and also has indicated to us that we may call upon him for assistance in any ad hoc matters which may come up. He has given valuable moral support to [] during the past few months; the problems of termination unquestionably are taxing [] to his limits, and he needs someone like to fall back upon. All in all, we think that a DM 2,000.00 bonus or a present of like value would be appropriate in [] name. We also are budgeting his DM 400.00 honorarium through July, August and September (DM 1,200.00) to be on the safe side. Total: DM 3,200.00.

e. Recapitulation: Taken together, the above figures present the following picture:

(1)	<u>West German balloon team</u>	<u>Fl 60</u>
	(DM 6,000.00 monthly holding costs plus DM 18,000.00 monthly operating costs)	DM 240,000.00
(2)	[]	
	(DM 16,000.00 salaries and expenses for four months plus DM 60,000.00 for termination)	76,000.00
(3)	[]	
	(DM 2,700.00 for three months' salary plus DM 5,000.00 termination pay)	7,700.00
(4)	[]	
	(DM 1,200.00 honorarium for three months plus DM 2,000.00 termination bonus or present)	<u>3,200.00</u>
TOTAL:		DM 376,900.00

SECRET

CONTINUATION OF DISPATCH	CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. MEMA-57000		
<p>The above budget of [] (MEM 370,000.00) should be adequate to cover FY 60 costs without difficulty, particularly since the balloon team costs, far and away the major item in the budget, may not nearly approach the figure we have used (the team may never be activated or if it is activated, some part of its expenses may be absorbed by other projects utilizing the team's services). The [] figure also appears sufficiently large to cover miscellaneous and unforeseeable costs of various types which may arise. The bulk of the budgetary allocation obviously can be retained at Headquarters, pending exact developments and a clearer picture of what may be forthcoming. We shall keep you advised.</p> <p style="text-align: center;">C]</p>				
FORM 10-57 53a (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	<input type="checkbox"/> CONTINUED	PAGE NO. 4.